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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable William H. Alsup, Judge

GOOGLE, LLC,	)	
	)	
Plaintiff,	)	
	)	
VS.	)	NO. C 20-06754 WHA
	)	
SONOS, INC.,	)	
	)	
Defendant.	)	
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SONOS, INC.,	)	
	)	
Plaintiff,	)	
	)	
VS.	)	NO. C 21-07559 WHA
	)	
GOOGLE, LLC,	)	
	)	
Defendant.	)	
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San Francisco, California		
Thursday, January 13, 2022		

**TRANSCRIPT OF TELEPHONIC PROCEEDINGS**

**APPEARANCES:** (via telephone)

For Plaintiff/Defendant Google:

QUINN, EMANUEL, URQUHART & SULLIVAN LLP  
50 California Street - 22nd Floor  
San Francisco, California 94111  
**BY: CHARLES K. VERHOEVEN, ATTORNEY AT LAW**  
**LINDSAY COOPER, ATTORNEY AT LAW**

**(APPEARANCES CONTINUED ON THE FOLLOWING PAGE)**

REPORTED BY: Marla F. Knox, CSR No. 14421, RPR, CRR, RMR  
United States District Court - Official Reporter

1 **APPEARANCES:** (cont'd, via telephone)

2 For Defendant/Plaintiff Sonos:

3 MCGUIRE WOODS LLP  
4 1800 Century Park East - 8th Floor  
5 Los Angeles, California 90067

6 **BY: SEAN M. SULLIVAN, ATTORNEY AT LAW**

7 LEE SULLIVAN SHEA & SMITH LLP  
8 656 West Randolph Street - Suite 5W  
9 Chicago, Illinois 60661

10 **BY: COLE B. RICHTER, ATTORNEY AT LAW**

11 ORRICK, HERRINGTON & SUTCLIFFE LLP  
12 405 Howard Street  
13 San Francisco, California 94105

14 **BY: CLEMENT S. ROBERTS, ATTORNEY AT LAW**

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Thursday - January 13, 2022

9:35 a.m.

P R O C E E D I N G S

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**THE CLERK:** Calling civil action 20-6754, Google LLC versus Sonos, Inc. and related action 21-7559.

Counsel, please state your appearances for the record beginning with Counsel for Google.

**MR. VERHOEVEN:** Good morning, Your Honor, Charles Verhoeven on behalf of Google. With me is Lindsay Cooper. And we are ready to proceed.

**MR. SULLIVAN:** Your Honor, this is Sean Sullivan on behalf of Sonos. I have got a few other colleagues on the line. I will let them introduce themselves.

**MR. RICHTER:** Good morning, Your Honor, Cole Richter from the Lee Sullivan firm in Chicago on behalf of Sonos.

**MR. ROBERTS:** And good morning, Your Honor, this is Clement Roberts from the Orrick firm, also on behalf of Sonos.

**THE COURT:** Anyone else?

(No response.)

**THE COURT:** All right. Good morning to everyone.

Let me -- this is another motion to amend, and I think you also have some case management issues you want to bring up.

With respect to the motion to amend, is this true that with respect to the additional patent that Google wants to add to its declaratory judgment complaint, it's simply the same

1 patent that Sonos is asserting against it in the Texas case --  
2 that was added to the Texas case?

3 And so in order to make the top pleadings line up, Google  
4 wants to add that in. So let me ask Sonos. Is that correct?

5 **MR. SULLIVAN:** Yes, Your Honor, that's correct. That  
6 is not what the dispute is on the present motion. We are fine  
7 with --

8 **COURT REPORTER:** I'm sorry for interrupting. Can you  
9 please identify yourself?

10 **MR. SULLIVAN:** I am sorry. Sean Sullivan on behalf of  
11 Sonos.

12 That is correct, Your Honor. We are not disputing that  
13 they can add that patent to their complaint.

14 **THE COURT:** Well, what then is the dispute? Tell me  
15 the dispute.

16 **MR. SULLIVAN:** Yeah, Sean Sullivan here again,  
17 Your Honor.

18 The dispute is over they want to add some breach and  
19 conversion claims, and we don't believe that those claims have  
20 any bearing on any of the issues in this case.

21 **MR. VERHOEVEN:** Your Honor, this is Mr. Verhoeven.  
22 Would you like me to begin?

23 **THE COURT:** All right. So let's -- yeah, explain to  
24 me why the conversion and breach of contract should be added  
25 in.

1           **MR. VERHOEVEN:** Sure, Your Honor. Again, this is  
2 Mr. Verhoeven on behalf of Google.

3           Just some background, this is basically a futility  
4 argument that they made.

5           We have filed a motion to amend the complaint, and we  
6 sought to add declaratory judgment claims, which aren't  
7 disputed, Your Honor; and then we have also sought to add a  
8 breach of contract claim and a conversion claim.

9           And that is subject to dispute, Your Honor, just to frame  
10 this issue. And the dispute is not prejudice. It is not -- it  
11 is basically futility. They are arguing the merits.

12           And so let me turn directly to these claims, the breach of  
13 contract and conversion.

14           In order for me to start, I need to give a little  
15 background, Your Honor. And -- so let me just set the stage  
16 here.

17           In 2013, Your Honor, Sonos approached Google and sought to  
18 work with Google to help integrate some of Google's services  
19 into some of Sonos' products.

20           They sought help from Google with respect to features such  
21 as the ability to host music remotely; what we call Cloud Queue  
22 today. We knew how to do that. They didn't.

23           Google agreed to help Sonos, and they have entered into a  
24 collaboration agreement; but as part of that collaboration  
25 agreement, Your Honor, Google insisted -- and this is in

1 section 3.4 of the collaboration agreement -- that, quote, any  
2 and all -- let me read you the quote -- 3.4, quote, ownership  
3 of service provider -- that is Google -- intellectual property  
4 rights.

5 "The music service, the provider developments, as defined  
6 below, and any and all intellectual property rights arising  
7 from or related thereto are and shall remain the sole and  
8 exclusive property of service provider." That's Google,  
9 Your Honor.

10 Next sentence, "Sonos will not claim for itself or for any  
11 third party any right, title, interest, or license to the music  
12 service or provider developments."

13 And then it goes on to define provider developments as any  
14 and all development work done by or on behalf of Google in  
15 creating the integrated service offering and any code or other  
16 materials owned or controlled by service provider Google and  
17 included by service provider Google in the integrated service  
18 offering.

19 And then it goes on. So we -- Google agreed to work with  
20 Sonos provided that it had these protections.

21 Now, the first time that Google had any notice of a breach  
22 of section 3.4 was when the complaint was filed in this case,  
23 Your Honor.

24 And in that complaint, Sonos accused products that were  
25 the result of the development exercise in breach of this

1 provision and claimed -- and asserted their intellectual  
2 property rights against products of that nature.

3 And, in fact, in their opening --

4 **THE COURT:** I'm confused. The phone cut out for a  
5 split second.

6 **MR. VERHOEVEN:** Sure.

7 **THE COURT:** I'm sorry. Go back to who is accusing who  
8 of what. You never told me what the accused product is and  
9 whether it is Google's product or Sonos' product.

10 It sounds like you are suing Sonos. This is very  
11 confusing. So go back about two sentences and start over.

12 **MR. VERHOEVEN:** Okay. So Sonos filed a complaint  
13 against Google in the Western District of Texas alleging patent  
14 infringement.

15 If you look at the complaint, Your Honor, the patent  
16 infringement claim -- and this is a motion to amend -- to add  
17 counterclaim for breach of contract to that claim.

18 So they asserted breach -- excuse me -- they asserted  
19 patent infringement on a number of patents. They accused  
20 products that were Google products developed as part of this  
21 collaboration agreement.

22 They went further than that, Your Honor. They alleged in  
23 the complaint that Google used -- this is a quote from  
24 paragraph 14 -- quote, Google used the knowledge it had gleaned  
25 from Sonos to build and launch its first wireless multiroom

1 audio product, Chromecast Audio; and they are accusing the  
2 result of the -- results of the collaboration are the very  
3 things that they are accusing of being misappropriated IP.

4 And so when they filed this, as Your Honor remembers, we  
5 had a motion to transfer. We objected to jurisdiction.

6 But we did answer -- so we couldn't file an affirmative  
7 counterclaim. And the reason for that, Your Honor, is because  
8 the exclusive forum selection clause agreed to by the parties  
9 in California.

10 And Your Honor had -- as of the time that any motion would  
11 be relevant in the Western District of Texas, in the Northern  
12 District of California -- Your Honor stayed the Northern  
13 District of California case.

14 So we couldn't file a motion to amend to add new breach of  
15 contract claims in the Northern District until the stay was  
16 lifted, which is what we did.

17 And we did not file it in Texas because we were  
18 challenging jurisdiction in Texas. You know, we didn't want to  
19 file an affirmative claim seeking relief from the Court in  
20 Texas at the same time we were challenging jurisdiction.

21 So we filed our motion to amend timely after the Court  
22 lifted the stay in the Northern District in the proper  
23 jurisdiction.

24 And so now we have this dispute where something that is --  
25 is a foundational argument placed in the original complaint by



1 Sonos, they are saying we can't talk about it.

2 They are saying we can't have a motion to amend to say, in  
3 fact, there is this section 3.4 of this contract where we  
4 worked together and says we own these products. We own the IP  
5 in these products.

6 And by asserting that you own it and that you are -- and  
7 that you, Google, own it or -- excuse me -- you, Sonos, own it  
8 and that Google has no rights to it, you are breaching section  
9 3.4 of the collaboration agreement.

10 And so that's --

11 **THE COURT:** Wait.

12 **MR. VERHOEVEN:** Sorry, Your Honor.

13 **THE COURT:** Wait a minute. What did that provision  
14 say again?

15 **MR. VERHOEVEN:** Sure. The provision is 3.4 of the  
16 content integration agreement.

17 I'm looking for a docket cite to that. But in the  
18 meantime, it is 3.4 of the agreement.

19 And I will read it: "Ownership of service provider  
20 intellectual property rights." That is the title of the  
21 paragraph. Service provider in this contract, Your Honor, is  
22 Google.

23 "The music service, the provider developments, as defined  
24 below, and any and all intellectual property rights arising  
25 from or related to thereto are and shall remain the sole and

1 exclusive property of service provider." That's Google.

2 Next sentence: "Sonos will not claim for itself or for  
3 any third party any right, title, interest, or licenses to the  
4 music service or provider developments" -- and then it says --  
5 "except for the limited license granted herein."

6 And then it goes on -- then it goes on to define provider  
7 developments. I don't know if you need to hear that. It is  
8 very broad and covers everything.

9 And so this collaboration that we are seeking to amend --  
10 file an amendment to have a counterclaim for breach was part of  
11 their complaint in the original complaint.

12 And they claim willfulness based on the collaboration  
13 agreement throughout their complaint in Texas.

14 We have not had an opportunity to file a counterclaim  
15 until the stay was lifted in the Northern District of  
16 California.

17 However, Your Honor, it should be noted that in our  
18 answer, we asserted affirmative defenses based on the same  
19 theory, the same breach.

20 So, we have an implied license affirmative defense based  
21 on this very provision of the contract, Your Honor.

22 We have equitable estoppel defense. We have a couple  
23 other affirmative defenses, all based on this same section.

24 And all we are doing with this motion to amend is adding  
25 in the counterclaim that would go along with the same facts.

1           **THE COURT:** All right. Let me ask you a question. I  
2 have got self questions. But if it's -- are you saying that  
3 the accused -- are you saying that the patents themselves --  
4 Sonos' patents arose out of that collaboration agreement such  
5 that the wrong inventors were given to the PTO?

6           I don't -- I want to make sure I understand your argument.  
7 Go ahead.

8           **MR. VERHOEVEN:** Sure, Your Honor.

9           So, that's the opposition's argument. They are saying our  
10 breach of contract claim is futile, and then they go on to  
11 argue the facts, not the pleadings.

12           And they say it is futile because two of the patents that  
13 we are asserting that came out of that -- that correspond to  
14 the products that came out of that development -- in other  
15 words, the development -- the Cloud Queue development  
16 undisputably, it came out of the collaboration agreement.

17           Undisputably they are claiming IP. Undisputably they are  
18 accusing us of infringement on that. So, that part is clear.

19           In the opposition to that, our motion to amend, they say,  
20 it is futile because the two patents that we, Sonos, are  
21 asserting against that product, that came out of the  
22 collaboration agreement, preexisted the collaboration agreement  
23 in terms of the original filing date was.

24           And then they go on and say to Your Honor in writing that  
25 the agreement -- this is a quote, docket 81 at 6 -- quote, is

1 explicitly limited to new intellectual property rights arising  
2 from the parties' collaboration. And it goes on.

3 That's not true. You look at section 3.4. It includes,  
4 quote, any and all intellectual property rights arising or  
5 related thereto.

6 Again, these are all factual questions, not appropriate on  
7 a motion to dismiss or futility.

8 But in any event, Your Honor, these (sic) provision covers  
9 our product that they are accusing regardless of what patents  
10 that Sonos had in the past because they have contractually  
11 given us a right and said they won't assert any rights -- any  
12 intellectual property rights on these products, number one.

13 Number two, the statement about the Cloud Queue patent and  
14 that it was filed before the collaboration is highly  
15 misleading.

16 In fact, in 2019, after the collaboration, Sonos amended  
17 that patent to add in the Cloud Queue technology that Google  
18 provided for Sonos and claim it as their own.

19 And they are saying we can't even make these points  
20 because we are going to lose -- trust me. They are going to  
21 lose.

22 And it's just -- it is a typical arguing the merits when  
23 the pleadings satisfy the pleading standards, Your Honor.

24 If I could just briefly talk about their second basis for  
25 futility to save time, Your Honor.

1           **THE COURT:** No, not yet.

2           **MR. VERHOEVEN:** Okay.

3           **THE COURT:** I want to hear the response to your  
4 argument. And I'm not prejudging anything here, but I want to  
5 summarize what I think Mr. Verhoeven's argument is so that the  
6 responding lawyer will have in mind what bothers me and maybe  
7 address it.

8           Here is what bothers me: The two sides had an agreement  
9 back in 2013, collaboration agreement, that seems to say that  
10 any and all intellectual property that comes out of that  
11 collaboration will belong to Google.

12           And then somehow the -- Sonos, despite that agreement, was  
13 able to get patents out of the PTO that cover that very  
14 technology.

15           And now the -- and is suing Google on it even though the  
16 contract said it would belong to Google.

17           Now, I'm not saying there must be something wrong with  
18 that argument; but if it were true, then Sonos and their  
19 lawyers would be in a lot of trouble with me.

20           So you go ahead and let me hear from the Sonos lawyers.

21           **MR. SULLIVAN:** Yes, Your Honor, this is Sean Sullivan  
22 on behalf of Sonos.

23           And, yeah, it is not true what Mr. Verhoeven said. And,  
24 listen, there are a lot of things that I'd like to -- if I had  
25 more time, I would disagree with Google's characterization of

1 the background of this as well as what the contract is really  
2 covering.

3 I would also want to clear up the pleadings. These are  
4 not counterclaims, Your Honor. These are actual claims that  
5 Google is trying to file in its original complaint now.

6 They are trying to amend the original complaint to add  
7 these as claims. They are not affirmative counterclaims or  
8 anything else like Mr. Verhoeven said.

9 You can take a look at the second amended complaint, and  
10 you can see that they are counts along with their other counts.

11 So, there is a lot to deal with there. But let me just  
12 jump into the issue and address the point you raised,  
13 Your Honor.

14 What happened was the '615 and the '033 patents, which is  
15 what these breach and conversion claims are directed towards,  
16 those have priority dates going back to December of 2011.

17 So that means that the written description for the  
18 invention in those patents was filed with the Patent Office in  
19 December of 2011.

20 Now, we know that the CIA was signed in 2013. This was  
21 signed for a collaboration between the parties to be able to  
22 enable -- and this is said right up until the whereas clause in  
23 the front of the CIA contract -- it is to enable these parties  
24 to have the ability for Google's music app to directly play  
25 music to Sonos' music system. That's it.

1       We are not accusing that of infringement here, Your Honor.  
2       The problem was -- is that Google didn't have any of these  
3       speaker products or hadn't let other people -- other  
4       competitors of Sonos use this technology until well after this  
5       collaboration.

6       Their first product was launched in September of 2015, but  
7       it finally added multiroom support at the end of 2015.

8       So, this was a very limited development here simply for  
9       Google's Play music app to be used with Sonos' music system.  
10      That's it.

11      Now, the intellectual property rights clause that  
12      Mr. Verhoeven is referring to, that is talking about  
13      intellectual property that is arising from the development  
14      work, okay, that is being done as part of this collaboration.

15      It is not transferring all ownership of all Sonos patents  
16      prior to this collaboration. It is dealing with intellectual  
17      property. So inventions, right, inventions that are created  
18      during this development work.

19      All right. You can't invent something that has already  
20      been invented.

21      The inventions in the '615 and '033 patents were described  
22      and contained in the priority document filed with the Patent  
23      Office in 2011. They are already invented.

24      So clearly --

25               **THE COURT:** No, wait, wait.

1           **MR. SULLIVAN:** -- they can't cover those facts.

2           **THE COURT:** Wait --

3           **MR. SULLIVAN:** Yes.

4           **THE COURT:** Wait, wait, wait. Let me ask a question.

5           **MR. SULLIVAN:** Yes, sir.

6           **THE COURT:** Were those pending claims amended after  
7 the collaboration began?

8           **MR. SULLIVAN:** Yes, but the claims that were amended  
9 after -- these are newer patents that were issued after the  
10 collaboration.

11           But those claims have to have support, Your Honor, in the  
12 2011 filing. You can't claim something that isn't in there.  
13 The patent would be invalid if you did.

14           **THE COURT:** I get that. I understand that is basic  
15 law.

16           **MR. SULLIVAN:** Right.

17           **THE COURT:** It happens all the time and they are  
18 lurking in a specification -- lurking inventions that are not  
19 actually claimed.

20           And so it could be that the collaboration, the light bulb  
21 went off; say oh, my God, we can claim this; that's the ticket  
22 because of -- and then maybe it would not have been claimed  
23 but-for the specification. So, what do you say to that point?

24           **MR. SULLIVAN:** Yeah, Your Honor. If it was already in  
25 the specification, then there wasn't a light bulb to go off



1 during the collaboration.

2 We had already written and described that invention in a  
3 2011 specification before -- years before we ever talked to  
4 Google.

5 So, it isn't something that could have been developed or  
6 invented during that collaboration; right.

7 **THE COURT:** I have to disagree -- let me disagree with  
8 that. I have seen it in too many cases --

9 **MR. SULLIVAN:** Okay.

10 **THE COURT:** -- where somebody says -- tries their best  
11 to -- they revise their claims in order to read on somebody  
12 else's product, and they originally didn't have any intent to  
13 claim X, Y, Z. But then whenever they had -- a reason comes  
14 along, they say, oh, we can stretch the specification to cover  
15 X, Y, Z. And it was because they want a read on somebody  
16 else's product.

17 So, it was not originally claimed; but then it winds up  
18 getting through the PTO. PTO says, okay, we accept that.

19 But -- so to me there would be a nice question if it could  
20 be shown that the amendment was provoked by the collaboration.

21 Now, I don't know whether it could be or not. That's the  
22 facts. But I can see a hole in your argument; that the  
23 specification covered it; but it would not have been  
24 influenced -- it is true about the specification because it is  
25 locked in stone. But the claims are not, and the claims are --

1           **MR. SULLIVAN:** The claims are not, Your Honor.

2           **THE COURT:** -- need to be asserted.

3           **MR. SULLIVAN:** Yes. The claims are not, Your Honor.

4 They are not locked in stone, you are correct. But the date of  
5 invention for that claim is locked in stone. It is 2011.

6           Whether you change the claims or not after you see  
7 something or something is revealed, that's not really the  
8 issue.

9           The issue is when did you invent that? You invented it in  
10 2011. That's your invention date for purposes of prior art and  
11 everything else like that. You are entitled to that --

12           **THE COURT:** Is there a Federal Circuit case on point  
13 that helps us understand this problem?

14           In other words, it accepts your argument and says that an  
15 agreement like this doesn't matter because the specification  
16 preceded it?

17           **MR. SULLIVAN:** I don't know if there is, but the logic  
18 is black letter law, Your Honor. I mean, you are entitled to a  
19 2011 invention date for those claims if they are supported.  
20 Otherwise, the patent is invalid.

21           **THE COURT:** I'm not accepting that proposition yet --

22           **MR. SULLIVAN:** Okay.

23           **THE COURT:** -- because the claims can be monkeyed  
24 around with. After you know the secret sauce, then you can  
25 mess around with your claims and claim something you wouldn't

1 otherwise have claimed.

2 All right. Look, I'm going to let you take your most  
3 important point; and then I will let the other side respond.  
4 Go ahead.

5 **MR. SULLIVAN:** All right. Thank you, Your Honor.  
6 Again, this is Sean Sullivan on behalf of Sonos.

7 And, you know, the important point is the timing there;  
8 but I did want to address in particular the '615 patent.

9 So, at the basis of these breach and conversion claims,  
10 this lynchpin, it is the same set of facts for all these  
11 claims.

12 It basically says we in 2019 added a limitation that is  
13 known as remote playback queue to the claims of the '033  
14 patent. That is at the heart and the foundation of all their  
15 claims; that you added this remote playback queue limitation to  
16 the claims of the '033 patent in 2019.

17 All right. Well, that means that their claims cannot  
18 apply to the '615 patent. The '615 patent doesn't use that  
19 limitation, remote playback queue.

20 And, in fact, the '615 patent issued in May of 2018, more  
21 than a year before this 2019 amendment concerning the remote  
22 playback queue in the '033 patent.

23 So, at an absolute minimum, there is just no way these  
24 breach claims and conversion claims cover the '615 patent.

25 What Google has done is just lumped the two together and

1 said, oh, they are roughly the same subject matter.

2 But their claims are really -- if at all, valid or viable.  
3 I don't think they are for the reasons I said before -- but if  
4 they are viable, they are only viable to the '033 patent. They  
5 cannot be viable right from their pleading to the '615 patent.

6 Now, I don't think they are viable to the '033 patent as  
7 well. I think the question of whether or not they are an  
8 inventor, the question of whether or not, you know, these  
9 claims are supported by that original spec and were encompassed  
10 by that 2011 filing, that is going to take care of itself under  
11 patent law, Your Honor.

12 If these are valid and the claims of the '033 patent are  
13 supported by the 2011 spec, then, again, as I said before, the  
14 invention date for that claim is before the collaboration  
15 agreement existed.

16 And if they are invalid, then my point is that there is no  
17 intellectual property rights here to dispute ownership. There  
18 is nothing to own. It is an invalid patent.

19 **THE COURT:** Well, yes, but they are pleading in the  
20 alternative -- it is just the way patent lawyers are. They --  
21 Mr. Verhoeven, I have got to move on. I will give you one  
22 minute to respond on the '615.

23 **MR. VERHOEVEN:** Thank you, Your Honor.

24 Let me be very clear, Your Honor, I don't want any  
25 mistakes in Your Honor's understanding.

1 The allegation about amendment is not with the '615;  
2 right. It is with the other one, the other patent, the '033.

3 However -- and I'm going to say very quickly a second  
4 point, Your Honor -- our motion to amend doesn't specifically  
5 allege specific patents.

6 It is just motion to amend for breach of contract. We  
7 need to take discovery. We need to do the regular thing.

8 But the reason I dispute the statement about this  
9 particular patent and futility is because of the language in  
10 3.4.

11 Now, Counsel says that the collaboration agreement was  
12 limited, and it implies that Google products, that it is not --  
13 that the product that was developed was very narrow and not all  
14 of these Google products.

15 Paragraph 14 of their complaint -- I will read it again --  
16 "Google used the knowledge it had gleaned from Sonos to build  
17 and launch its first wireless multiroom audio product,  
18 Chromecast Audio." That's paragraph 14 from their complaint.

19 So, they have alleged that Chromecast Audio came out of  
20 this agreement and that we used Sonos information from this  
21 collaboration to make it, and that it is violative of patents.

22 Regardless of what the patents are, Your Honor, we still  
23 have a breach of contract claim under section 234 because they  
24 promise that, quote, Sonos should not claim for itself or for  
25 any third party any right, title, interest, or licenses in the

1 music service or provider development.

2 And that is exactly what it is doing. That's all I have,  
3 Your Honor.

4 **THE COURT:** All right. I'm going to take it under  
5 submission, but you had a case management point that you wanted  
6 to raise. So Mr. Verhoeven, tell me what that is.

7 **MR. VERHOEVEN:** Thank you, Your Honor. I think we  
8 have a --

9 **THE COURT:** Yeah, we are hearing a female voice in the  
10 background of somebody who failed to mute themselves; and you  
11 might not want us to hear all of that. So please mute  
12 yourself. All right. Mr. Verhoeven, go ahead and explain the  
13 case management point.

14 **MR. VERHOEVEN:** All right, Your Honor. So the  
15 first -- there is one thing I want to speak to and that is, one  
16 of the things in the case management conference is an addition  
17 that was added by Sonos at 4:00 o'clock the day that the  
18 statement was due, where they asked for consolidation and then  
19 asked to realign the parties.

20 Of course, we didn't have any notice that they were going  
21 to make that argument. But so that Your Honor knows, we do not  
22 oppose consolidation of the cases.

23 We vigorously oppose any effort to realign the parties at  
24 this point in time. As Your Honor knows, motions to realign  
25 the parties are premature at this early stage.

1 We don't know what causes of action are going to be going  
2 to trial. We don't know who is going to win what on summary  
3 judgment.

4 And as you have just heard, Your Honor, we have got  
5 affirmative claims here that go with their claims.

6 And so, you know, at a minimum, it should be a motion that  
7 gives us an opportunity to brief it. But I really don't think  
8 it is even necessary because it is premature to address  
9 alignment of the parties for a jury trial at this point.

10 There is some depositions -- there is an hour cap dispute  
11 that Ms. Cooper can address. Ms. Cooper, are you there?

12 **MS. COOPER:** Yes. Good morning, Your Honor.

13 I just want to get your views on this because I think it  
14 will inform discovery going forward over the next few months.

15 So the parties have agreed to a 100-hour limit on  
16 depositions, but there is a dispute as to whether that limit  
17 applies to third parties or not.

18 Our position -- Google's position is that third parties  
19 should be excluded from the cap, and the reason for that is  
20 because there is going to be a significant number of prior art  
21 depositions in this case.

22 I can go through the list if you want, but we have at  
23 least six including one of Sonos' named inventors. So, it is  
24 important that we get clarity on this so we can move forward  
25 with depositions.

1           **THE COURT:** Where did the 100 thing come from to begin  
2 with? I don't remember imposing that.

3           **MR. ROBERTS:** Your Honor, this is Mr. Roberts --  
4 Your Honor, this is Mr. Roberts. If you'd like, the 100 hours  
5 came from -- Your Honor --

6           **THE COURT:** I would like you to explain to me your  
7 view.

8           **MR. ROBERTS:** Thank you, Your Honor.

9           I will address both issues taking them in reverse order.

10          There are two cases, one in which Google was Plaintiff in  
11 front of Judge Chen and then these cases in front of  
12 Your Honor.

13          In the Judge Chen case, the parties agreed to a  
14 hundred-hour cap that included both third parties and all  
15 parties. And we then imported that agreement here.

16          But Google wants a hundred-hour cap when it's Plaintiff  
17 including third parties. But when it is the Defendant, it  
18 wants a hundred-hour cap but then unlimited third-party  
19 depositions.

20          And we know Your Honor wants -- thinks these cases are too  
21 expensive. They get too overwhelming. There is too much  
22 discovery. Resources should be better spent on other things.

23          And we think what is good for the goose is good for the  
24 gander. If Google when it is Plaintiff wants the Defendant  
25 limited to a hundred hours in the Northern District of



1 California including third parties, it should agree to that;  
2 and we should have the same limits in reverse when it is  
3 Defendant.

4 It shouldn't be one set of rules when it is Plaintiff and  
5 a different set of rules when it is a Defendant.

6 And everybody agrees there has to be some cap; otherwise,  
7 we are going to have bedlam in terms of the total number of  
8 hours.

9 That's it on that issue. Would you like me to address the  
10 consolidation?

11 **THE COURT:** Mr. Verhoeven, is it true that you are  
12 trying to get more hours for you when you are the Plaintiff;  
13 but you want them to be stuck when they are the Plaintiff with  
14 lesser hours -- fewer hours; is that true?

15 **MR. VERHOEVEN:** No, it's not. And it is another  
16 stretching of what actually is going on.

17 There was no request made for any additional third-party  
18 depositions in that case by Sonos to us, Google.

19 So, you know, they are saying we wouldn't have agreed to  
20 it or we have some double standard. They didn't even ask for  
21 it in that case, Your Honor. So, there is no double standard.

22 The first time that there was a request for additional  
23 depositions to conduct third-party discovery was in this case. It  
24 was never made by Sonos in that other case.

25 So, to say that there is a double standard is highly

1 misleading.

2           **MR. ROBERTS:** So, what I hear -- this is Mr. Roberts.  
3 What I hear Mr. Verhoeven saying is that he is going to  
4 stipulate in the Chen case that we get unlimited third-party  
5 deposition hours if the Court here allows it. Do I hear you  
6 correctly, Mr. --

7           **THE COURT:** What does Judge Chen have to do with my  
8 case?

9           **MR. ROBERTS:** The point is, Your Honor, again, that we  
10 are attempting to negotiate in good faith limits on discovery  
11 in line with this Court's very strict limits.

12           We -- instead of what the normal Federal Rule of Civil  
13 Procedure is, which is a certain number of depositions, the  
14 parties agreed to a number of hours.

15           And, you know, if the Court wants to impose the limits  
16 under the Federal Rules, which are the number of depositions  
17 that people get, that's fine too.

18           We had tried to give additional flexibility by agreeing to  
19 a number of hours, but it is not the case that there is an  
20 unlimited number of depositions of third parties or anybody  
21 under the Federal Rules.

22           **THE COURT:** I know. But why does anyone even refer to  
23 Judge Chen?

24           **MR. ROBERTS:** Because, Your Honor, in that case Google  
25 argued for -- and Sonos agreed -- that we would have a

1 hundred-hour limit that included both third parties and parties  
2 in the case where they are patent Plaintiffs. And we agreed to  
3 that because that's what they wanted.

4 **THE COURT:** I see. So in that case Google is suing  
5 Sonos?

6 **MR. SULLIVAN:** Correct, Your Honor.

7 **MR. VERHOEVEN:** Correct, Your Honor. And they did not  
8 ask for additional time for third parties in that case, period.

9 **THE COURT:** Well, do you want additional time in that  
10 case?

11 **MR. ROBERTS:** Your Honor, we want the rules to be the  
12 same in both cases. So, honestly, I prefer a hundred hours in  
13 both cases because I'd prefer the discovery to be limited.

14 But if the Court is going to grant additional hours here  
15 for third parties, then, yes, we would want them there as well.

16 **THE COURT:** Look, I have had this problem in other  
17 cases although it has never been framed in terms of a hundred  
18 hours.

19 But this is easy. Use up the hundred hours first on  
20 everybody. So, in other words, for right now I'm agreeing with  
21 Sonos.

22 But when you get near the end, I will grant you a little  
23 bit more time if -- and here is the big if -- if the party  
24 requesting more time has behaved properly with respect to  
25 disclosures and with respect to discovery.

1 If you misbehave, you don't get any more time. So you are  
2 at risk.

3 If I go ahead and give you the time now, then you will  
4 misbehave anyway. So, I have learned the hard way. I hold  
5 this -- I will be very blunt. I hold this over your head.

6 And if you goof up and you misbehave, you won't get any  
7 more time.

8 So for right now I'm going to leave the 100 hours, it  
9 applies to everybody including third parties. But I will be  
10 open if you are a good citizen and you come back later and say,  
11 we have used up 90 hours. Can we have 20 more? And it looks  
12 to me like you have been a good citizen, I will give you the  
13 extra time very likely and there will be other considerations.

14 I would be very open to it. You would have to make your  
15 case as to why you needed it.

16 So, that's the ruling on that. I don't want to hear  
17 anymore argument. That is the ruling.

18 **MR. ROBERTS:** Thank you, Your Honor.

19 **THE COURT:** What was your issue about consolidation?  
20 But wait. I'm not going to say now who gets to go first at  
21 trial. No. That's way premature.

22 **MR. ROBERTS:** We will brief it later. This is  
23 Mr. Roberts.

24 **THE COURT:** What else do I need to decide in case  
25 management?

1           **MR. ROBERTS:** Those are the only two issues as far as  
2 I know, Your Honor. At this point I think everything else you  
3 can just go off the papers.

4           **THE COURT:** All right. I have to do -- I have got to  
5 give you an order on this motion to amend. I'm not prepared to  
6 say what the answer is going to be.

7           Okay. You-all can hang up now and I will go to the next  
8 case -- the last case.

9                       (Proceedings adjourned at 10:15 a.m.)

10                      ---oOo---

**CERTIFICATE OF REPORTER**

I certify that the foregoing is a correct transcript  
from the record of proceedings in the above-entitled matter.

DATE: Monday, January 17, 2022

A handwritten signature in blue ink that reads "Marla Knox". The signature is written in a cursive style. Below the signature is a horizontal line.

Marla F. Knox, CSR No. 14421, RPR, CRR, RMR  
United States District Court - Official Reporter